

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF LAW
SUPPLEMENTARY EXAMINATION, JULY 2018

TITLE OF PAPER : COMPANY LAW AND PARTNERSHIP (I)

COURSE CODE : LAW 311

TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS :

- 1. ANSWER FOUR (4) QUESTIONS.**
- 2. QUESTION ONE (1) IS COMPULSORY.**

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR TO DO SO.

QUESTION 1 (Compulsory)

The Crown Properties Company (PTY) LTD was incorporated in January, 2010. Its objects have stated in the memorandum of association as follows:

1. To buy and sell land and houses
2. To engage in the construction industry
3. To do any other act incidental to the attainment of the aforementioned objects.

In May 2014, the Board of Directors met and adopted a resolution approving a loan of E3 million to Country Folk Construction (PTY) LTD , a Company which supplies building materials to the construction industry in the country. In reaching this decision, the board would yield a 30% interest, and a preferential allocation of cement, iron rods, and other building materials from Country Folk Construction (PTY) LTD.

Discuss the merits of the case of aggrieved shareholders. (25 marks)

QUESTION 2

Discuss the concept of “Lifting The Corporate Veil”. With the use of decided cases, define the circumstances under which the Courts will lift the Corporate Veil. (25 marks)

QUESTION 3

Discuss the following:-

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| a) Sole Proprietorships | (12 ½ marks) |
| b) Partnerships | (12 ½ marks) |
| | (25 marks) |

QUESTION 4

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| a) Discuss the legal relationship that is created between a member and a company by virtue of the constitution. | (10 marks) |
| b) Discuss the considerations that the courts will take into account before reaching the decision to order that a company should change its name. | (15 marks) |
| | (25 marks) |

QUESTION 5

The separate legal personality adopted by a Company upon incorporation is said to be one of the hallmarks of incorporation. What are the advantages of incorporation? Substantiate your response by referring to decided cases. (25 marks)